



14th February, 2014

The National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra - Kurla Complex,
Bandra (East),
Mumbai - 400 051

Bombay Stock Exchange Limited
1st Floor, New Trading Ring,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Dear Sir,

Sub: Outcome of the Board Meeting held on 14th February, 2014

As required under Clause 41 of the Listing Agreement, please find enclosed herewith Unaudited Financial Results of the Company for the third quarter ended 31st December, 2013 along with the Limited Review Report on the same.

The aforesaid results, duly reviewed by the Audit Committee, have been approved and taken on record by the Board of Directors at its Meeting held on 14th February, 2014.

Kindly take note of the same.

Thanking you,

**Yours truly,
FOR GAMMON INDIA LIMITED**



**GITA BADE
COMPANY SECRETARY**

Encl.: As above



GAMMON

GAMMON INDIA LIMITED

Unaudited Financial Results for the Period and Quarter Ended 31 December 2013

(Rupees in Lacs)

S.No.	Particulars	Quarter Ended (Unaudited)			9 Month Ended (Unaudited)		Year Ended
		31 Dec 2013	30 Sep 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012	Audited
							31 Mar 2013
1	Income from Operations						
	Net Sales / Income from Operations	1,00,933	1,04,558	1,21,647	3,27,061	3,56,480	5,19,736
2	Expenses						
	Cost of Material Consumed	42,984	40,306	67,207	1,40,200	1,82,091	2,62,136
	Purchases of Stock-in-trade	4,825	4,231	3,608	13,084	13,393	22,502
	Change in inventory of WIP and FG	(2,182)	16,774	3,154	14,047	(15,635)	(26,509)
	Subcontracting Expenses	24,125	24,740	26,783	76,622	78,729	1,15,484
	Employee Benefits Expenses	10,720	10,970	12,138	32,770	38,058	51,876
	Depreciation and Amortisation	2,790	2,826	2,663	8,278	8,101	10,739
	Other Expenses	25,965	22,965	23,926	65,598	61,841	85,759
	Total Expenses	1,09,227	1,22,812	1,39,479	3,50,599	3,66,578	5,21,987
3	Profit/(Loss) from Operations Before Other Income, Finance Costs	(8,294)	(18,254)	(17,832)	(23,538)	(10,098)	(2,251)
4	Interest & Other Income	2,925	1,911	3,705	7,767	10,377	13,242
5	Profit/(Loss) from Ordinary Activities Before Finance Costs and Forex Fluctuation	(5,369)	(16,343)	(14,127)	(15,771)	279	10,991
6	Finance Cost	13,955	13,795	12,605	39,775	32,552	44,341
7	Forex Fluctuation (Gain) / Loss	198	(640)	(298)	(1,368)	(264)	(22)
8	Exceptional Items	2,866	(1,246)	-	1,813	-	10,664
9	Profit Before Tax	(22,388)	(28,252)	(26,434)	(55,991)	(32,009)	(43,992)
10	Tax Expenses	189	(2,098)	(270)	(2,265)	60	575
11	Net Profit/(Loss) for the period	(22,577)	(26,154)	(26,164)	(53,726)	(32,069)	(44,567)
12	Paid-up Equity Share Capital (Face Value Rs.2/- per Equity Share)	2,716	2,716	2,716	2,716	2,716	2,716
13	Reserves, excluding Revaluation Reserve as per Audited Balance Sheet						1,57,372
14	Earning Per Share (Rupees)						
	Basic	(16.63)	(19.26)	(19.27)	(39.57)	(23.62)	(32.82)
	Diluted #	(16.63)	(19.26)	(19.27)	(39.57)	(23.62)	(32.82)
A	Particulars of Shareholding						
1	Public Shareholding						
	- Number of Shares	8,87,43,314	8,87,43,314	8,83,68,314	8,87,43,314	8,83,68,314	8,83,68,314
	- Percentage of Shareholding	65.01%	65.01%	64.74%	65.01%	64.74%	64.74%
2	Promoters & Promoter Group Shareholding						
	Pledge/ Encumbered						
	- Number of Shares	4,46,53,699	4,46,53,699	1,16,45,000	4,46,53,699	1,16,45,000	1,15,75,000
	- Percentage of Shares						
	(as a % of total Shareholding of Promoter & Promoter group)	93.50%	93.50%	24.19%	93.50%	24.19%	24.05%
	(as a % of total Share Capital of the Company)	32.72%	32.72%	8.53%	32.72%	8.53%	8.48%
	Non-encumbered						
	- Number of Shares	31,03,455	31,03,455	3,64,87,154	31,03,455	3,64,87,154	3,65,57,154
	- Percentage of Shareholding						
	(as a % of total Shareholding of Promoter & Promoter group)	6.50%	6.50%	75.81%	6.50%	75.81%	75.95%
	(as a % of total Share Capital of the Company)	2.27%	2.27%	26.73%	2.27%	26.73%	26.78%
B	Investor Complaints						
	Pending at the beginning of the quarter	0					
	Received during the quarter	4					
	Disposed of during the quarter	4					
	Remaining unresolved at the end of the quarter	0					

Since the options granted are anti dilutive hence diluted EPS is not computed

Notes:

1. The Financial Results were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its meeting held on 14 February 2014 and have been subjected to limited review by the Statutory Auditors of the Company as required by Clause 41 of the listing agreement.
2. During the previous years, the Company has recognized revenue to the extent of Rs.15009 Lacs of which Rs. 1412 Lac has been recovered leaving balance of Rs.13597 Lacs, being the award from the arbitral tribunal received for its projects and was recognized under trade receivables. The Company had also recognized revenue of Rs.5800 Lacs in respect of one of the project based on advanced negotiation and discussion with the client and is confident of realizing the same.
3. The Company's CDR package was approved by the CDR EG in its meeting held on 24 Jun 2013 and communicated to the Company vide its letter of approval dated 29 Jun 2013. The Company executed the Master Restructuring Agreement (MRA) with the CDR lenders on 24 Sep 2013. Substantial securities have been created in favor of the CDR lenders.
4. In response to qualifications of Limited Review Report-
 - a) The application for a pre-insolvency procedure filed by FTM was admitted by the court of Milan on 7th June 2013 after having received confirmation of the possibility of continuity of the company, by calling for bids for the lease of its business. The successful bidder for the lease was foreseen to be finalized by early December 2013. However till date no decision in this regard is forthcoming. The continuous delay in final closure has put the ongoing projects of Franco Tosi in Congo, Nicaragua and Bolivia at risk of cancellation with consequences thereof, unless immediate steps are taken to scale up the execution with intent to meet the existing project schedules. In light of the ongoing procedure the no financial statements of the company have been released to date and it is expected that this will not be released until the entire process is complete.
The management is hopeful of the successful completion of the entire process which will benefit the company and save its operations.
 - b) The Company's application for waiver of excess remuneration of Rs.184 Lacs paid to CMD and Rs.25 Lacs paid to an Executive Director during the year 2011-12 has been rejected. The Company has preferred a representation to the Ministry to reconsider its decision and reply is awaited.
The Company's application for payment of remuneration to Chairman & Managing Director for the year 2012-13 of Rs.685 Lacs and 2013-14 of Rs.414 Lacs is pending for approval with the Central Government.
The Company's application for payment of remuneration to Mr Himanshu Parikh for year 2012-13 has been approved for Rs.166 Lacs as against proposed remuneration of Rs.171 Lacs.
5. Exceptional item for the nine months period ended 31 December 2013 represents fees and costs in connection with the CDR process of the Company of Rs.397 Lacs, provisions against guarantees given by the Company pertaining to a project being executed by an overseas subsidiary being encashed of Rs.2663 Lacs and reversal of interest cost of Rs.1247 Lacs due to reduction in interest rate as per CDR. The exceptional items in the year ended 31 March 2013 includes provision made by the Company on a prudent basis, considering current economic scenario in Europe, in connection with investments / advances of Rs.9529 Lacs and Rs.1135 lacs in respect of its receivables and assets in connection with its overseas JV and Branch.
6. The Company is engaged mainly in "Construction and Engineering" segment. The Company also has "Real Estate Development" and Windmills as other segments. Revenue from such activities is not significant and accounts for less than 10% of the total revenue and total assets of the Company. Therefore no disclosure of separate segment reporting as required in terms of Accounting Standard AS -17 is done in respect of these segments.
7. Corresponding figures of the previous period have been regrouped / rearranged wherever necessary.

For **Gammon India Limited**



Abhijit Rajan
Chairman & Managing Director
Mumbai, 14 Feb 2014

Natvarlal Vepari & Co.

CHARTERED ACCOUNTANTS

Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

Limited Review Report

Review Report to
The Board of Directors
Gammon India Limited

1. We have reviewed the accompanying statement of unaudited Standalone financial results of Gammon India Limited ('the Company') for the quarter ended December 31, 2013 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding', which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We did not review the financial statements of Gammon India Limited – Nagpur Branch, which was reviewed by the branch auditors whose reports have been received by us. Our opinion so far as transactions of the said Branches are concerned, is based solely on the limited review report of the Branch Auditors.
4. *Basis For Qualified Conclusion*
 - a. *The Company's Step Down Subsidiary in Italy M/s Franco Tosi Meccanica S.p.A(FTM) which, went for a process of restructuring as per the Italian law, could not get the process completed as originally envisaged due to changes in the process in Italy even as at the end of the quarter. The Continuous shifting of dates is a cause of concern and the Company's Exposure of Rs. 31935 Lacs in equity and loans net of provisions already made are dependent upon the final decision coming in favour of FTM and FTM's ability to turnaround especially in the weak economic situation prevailing in Europe. The Company also has exposure of corporate guarantee of an amount of Rs. 30604 lacs towards the borrowing made by the overseas SPV through which the step down subsidiary is held.*
 - b. *The Company's Application for managerial remuneration for the Chairman and Managing Director and other executive directors is rejected for some of the previous years, partly accepted for some years and no decision has been taken for the balance years. In view of the same no effect has been given in the attached financial statements for the following*
 - i. *Recovery of Managerial Remuneration of Rs. 210 lacs for year ended 31st March 2012 and 2013 for application rejected and partly allowed for which the company has gone into a review appeal.*
 - ii. *Managerial remuneration paid in excess of limits of Rs. 1098 lacs for which no decision has been taken.*



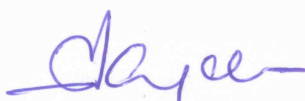
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5. Without qualifying our review report we re-iterate our emphasis of matter contained in our audit report dated May 30, 2013 on the financial statements for the year ended 31st March 2013 and further updation thereon relating to:
- We draw attention to Note no 2 of the notes to the Statement of un-audited standalone financial results relating to recoverability of an amount of Rs.15009 Lacs as at March 2013 out of which Rs.1412 Lacs has been collected under trade receivables in respect of contract revenue where the Company has received arbitration awards in its favor in respect of which the client has preferred an appeal for setting aside the said arbitration awards and Rs. 5800 Lacs where the Company is confident of recovery based on advanced stage of negotiation and discussion. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favor of the company.
 - Note no 33 of the explanatory notes of the financial statements for the year ended 31st March 2013 relating to the investments and loans in overseas and Indian operations of the group and its consequent impairment assessments by the company and the trade receivables of SAE Powerlines S.r.L (SAE). The company on the principle of prudence and conservatism has recognized provisions on certain amounts. The Impairment if any would be dependent on the achievement of the projections on the basis of which the impairment assessments were done. Exposure to FTM is covered by our aforesaid basis of qualified conclusion as referred in para 4(a) above.
6. Subject to matters referred to para 4(a) to 4(b) in the basis of qualified conclusion and based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies act 1956, which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm registration number:106971W



N Jayendran
Partner
M. No. 40441

Mumbai, Dated : February 14, 2014

